IN THE

Supreme Court of the United States

OCTOBER TERM, 1947.

No. 332.

THE COCA-COLA COMPANY, *Petitioner,*

v.

SNOW CREST BEVERAGES, INC., *Respondent.*

On Petition for a Writ of Certiorari to the Circuit Court of Appeals for the First Circuit.

PETITION FOR REHEARING.

To the Honorable the Chief Justice and the Associate Justices of the Supreme Court of the United States:

PRELIMINARY STATEMENT.

The petitioner in the above-entitled cause requests this Honorable Court, pursuant to Rule 33 of the Revised Rules of this Court, to grant a rehearing on the petition for certiorari, and, upon reconsideration, to grant the petition.

In its original petition for certiorari, which was denied, petitioner urged as a principal ground for granting the writ that the decision of the court below was in conflict with decisions of federal courts in other circuits. We will not repeat our argument in support of this ground for certiorari since it is fully covered in our original petition. We believe that a substantial conflict exists and urge reconsideration on that ground.

In this petition for rehearing we wish to present an alternative ground for certiorari which we submit is a compelling reason for granting the writ. That ground which we now urge is that if this Court does not see a substantial conflict of federal decisions, nevertheless the court below has decided an important question of federal law which has not been, but should be, decided by this Court.

THE DECISION APPEALED FROM.

The question decided by the court below is of tremendous significance to all business concerns advertising a distinctive product on a nationwide scale. It is of equal importance to the agencies and instrumentalities through which they advertise. The lower court has ruled that a deliberate phonetic imitation of a widely advertised trademark could not be enjoined, where the imitator took the precaution of using a different visual design, in the absence of affirmative proof that particular customers in particular markets have been positively misled.

After pointing out in its opinion that the trademarks of the parties were differently designed, the court went on to say (162 F. (2d) 280, 284):

> "But the plaintiff's contention is not so much that its and the defendant's names in their respective settings *look alike* as that when spoken they *sound alike*. It says that the words 'Polar Cola' and 'Coca-Cola', when spoken in bars or taverns, which are frequently noisy places and where it and the defendant principally if not exclusively meet in competition, sound so similar as to cause consumer confusion. And in addition it says, and

stresses, that the similarity in sound between the names is so marked as not only to permit but also actively to encourage the passing off of the defendant's product on orders for the plaintiff's. Thus the similarity in sound between the names is urged in support of both the ground of trade-mark infringement and the ground of unfair competition. Since the same facts are said to support both grounds and since the test of both grounds is the same, we can dispose of two phases of the case on one consideration of the question of the verbal similarity of the names." (Emphasis supplied.)

The court then considered the evidence of the sale of Polar Cola in bars. It concluded "that relatively very few opportunities ever arise for passing off the defendant's drink in bars and taverns on specific orders for the drink manufactured by the plaintiff." For this reason, it affirmed a decision denying plaintiff injunctive relief against a phonetic imitation of its trademark name which was deliberately chosen by respondent with knowledge of petitioner's mark.

THE QUESTION PRESENTED.

The question presented by the decision below may be expressed by a hypothetical case. Suppose that the owner of a registered trademark name by the expenditure of tremendous sums in advertising in the press and over the radio creates a market for a distinctive product, which he sells under that name. Suppose as a result of that investment he has obtained a nationwide public identification of his trademark name with his product. In that situation, assume that a succession of competitors deliberately use phonetic imitations of the advertised trademark name, the aggregate effect of which is to dilute, impair and perhaps destroy the value of the trademark name as a distinctive designation for the product. Is the trademark owner deprived of any remedy against any single one of these imitators on the ground that the consumer confusion in each single instance is of slight consequence however damaging the aggregate effect might be expected to be?

Or, in other words, in a day of increasing reliance on the radio for advertising, are trademark names, as a matter of law, to be protected against visual imitations, but not against phonetic simulations?

REASONS FOR REHEARING AND GRANTING THE WRIT.

The court below answered the above question in the affirmative. It refused to grant injunctive relief against a deliberate phonetic imitation of petitioner's trademark. Its ground for refusal was that in the particular situation before the court, i.e., in the bars of Boston where the defendant happened to be using the imitative name at the time of the decision, there was little chance of consumer confusion. It declined to consider the future probabilities of continued imitation.[1] It ignored the ultimate consequence of its decision as a license permitting thousands of other imitators to dilute and destroy the distinctive value of the trademark name by constant and repeated phonetic imitations.

Under the lower court's decision, the opportunity to preserve a clearly identifiable trademark name is certainly impaired and may be destroyed in what is today probably the most important of all advertising media—the radio. In this field, the visual distinguishability of trademarks, which the lower court strongly emphasized, is meaningless. Phonetics are what count. And the effect of phonetic imitations, which the lower court's opinion invites, in diluting, impairing and destroying distinctive trademarks is incalculable. Specifically there are here in issue two names which are especially difficult to distinguish phonetically.[2]

---

[1] Cf. *Time, Inc.* v. *Ultem Publications*, 96 F. (2d) 164, 165 (CCA 2d, 1938).

[2] This, in fact, was admitted by the trial Court when it found: "It is possible that when a consumer orally ordered Polar Cola a bartender or waiter might understand the order to be Coca-Cola . . ." (64 F. Supp. 980, 991)

The first two syllables of each name contain identical vowel sounds. The last two syllables are wholly identical. The letter "r" in Polar[3] is silent in large areas of this country. Furthermore, precise enunciation of consonants over the radio would scarcely be expected from a deliberate imitator.

The effect of the decision is to create in the growing field of aural advertising an opportunity for confusion which does not exist in visual advertising. To avail himself of that opportunity the imitator of the sound of the trademark name first makes the visual mark distinctive. He then puts the phonetic imitation on the air where visual identification is not possible. Thus, radio advertising is placed under a handicap. The essence of the American advertising art over the radio is a trademark name readily distinguishable *in sound*. The decision below seriously jeopardizes this new American art. If "Polar Cola" is all right, why not "Floor-line" shoes; "Stine-play" pianos; Hillsberry" flour, etc.

The threat is not minimized by the fact that in this case Polar Cola is not now advertising on the radio. The record shows it has done so in the past. It may be expected to do so again in the future. Once the use of the phonetic imitation of a trademark name is approved no sensible line of distinction can be drawn between using that name in a retail store and over the radio. Nor is the lower court's test of the insignificant amount of confusion in the limited area involved in this case helpful. The effect of one advertisement by one imitative product on one radio station may indeed be slight. But the aggregate effect of repeated imitations by numerous imitators over many stations is bound in the long run to be destructive. It is no answer to say that petitioner is unduly alarmed,—that its position is so secure that the consequences which it fears will not happen. No one is in the position to say that the constant alertness

[3] Generally pronounced "Pola Cola." See Webster's New International Dictionary (2d ed.), p. L, § 212, of the section "A Guide to Pronunciation."

against invasions of their trademark names practiced by Coca-Cola and all companies in a similar situation is not vital to successful merchandising of their products.

Until the decision in this case, it was a well established legal principle that phonetic imitations of trademarks were no less enjoinable than actual counterfeits.[4] Now it has in effect been ruled to the contrary. If that is sound law, this court is the proper tribunal to declare it. We submit that regardless of whether this decision is in direct conflict with other federal decisions, it is at the very least a radical departure from previously enunciated principles of trademark law, exemplified by the following declaration of the Second Circuit (*Time, Inc.* v. *Ultem Publications,* 96 F. (2d) 164, 165 (1938)):

> "It is probably too soon to learn whether any actual confusion will result, certainly the plaintiff has not so proved that it has yet done so; but the similarity could scarcely have been accidental in origin, and the defendant refused to make any change when challenged at the very outset. *Imitation may supply the place of proof; the plagiarist's motive can only be some advantage to himself, which is most likely to be, in part at any rate, the likelihood that his wares will be taken as first-comer's.*" (Emphasis supplied)

Moreover, the principles involved have a broad economic significance. The Coca-Cola Company, as this Court knows, is a worldwide organization marketing a soft drink which has been widely imitated. As the court said in its opinion, "The tens of millions of dollars it has spent over the years in advertising its product under the name 'Coca-Cola' have created an enormous public demand for the beverage." In other words, the present market for Coca-Cola is not the result of a natural demand as in the case of a necessity.

---

[4] *Cleo Syrup Corp.* v. *The Coca-Cola Company,* 139 F. (2d) 416 (Cleo Cola and Coca-Cola), cert. denied 321 U. S. 781; *J. L. Prescott Co.* v. *Procter & Gamble,* 102 F. (2d) 773, cert. denied 308 U. S. 557 (Oxol and Oxydol); *Brown-Forman Distilling Co.* v. *Bloch,* 99 F. (2d) 708 (Old Foster and Old Forester).

It was the result of years of education of the public to demand the kind of a drink which The Coca-Cola Company sells. Without the original Coca-Cola advertising of this name, the present market would not exist; furthermore, without advertising, the demand for this kind of product would soon be seriously impaired. The same is true of many other products of American industry.

Of course, the markets originated by advertisers are not the exclusive domain of those who created them. By selling similar goods or even imitations others may profit from the demand which a particular advertiser has developed. Petitioner recognizes this to be legitimate. But the impetus of American business will be gone if the pioneer advertiser is not afforded at least the minimum protection of preventing his distinctive trademark name from being engulfed in a rising tide of similar sounding names.

In fact, the creation of widespread consumer demand for new types of merchandise by intensive and far-flung advertising of brand names is the touchstone of the modern American industrial system. That is how American merchandisers rapidly reach the mass markets which alone make possible the mass production methods whereby new and better products are brought within the means of average income groups. There are many responsible authorities who say that the development of the advertising art is the key to the American workman's unrivalled standard of living.

The principle involved is of the utmost significance. In a fundamental sense it endangers the whole modern American merchandising system and the benefits with which, your petitioner believes, that system has endowed the American public. More specifically, the decision below threatens to depreciate the value of established trademarks and to retard the introduction to the market of new products, which require intensive advertising to gain public acceptance. All trademark owners are adversely affected by the decision. Likewise, the entire radio industry is vitally affected. And,

finally, the consuming public is exposed to all sorts of product confusion.

Thus the question presented by this case, whether trademarks enjoy any protection against phonetic imitations, far transcends the welfare of The Coca-Cola Company. Rather it is of basic importance in relation to the American economic system—from the standpoint both of industry and of the consuming public. And the law on the question as declared by the lower courts has, at the very least, become uncertain and confused as a result of the decision below.

It is accordingly respectfully submitted that the Court should rehear our petition for certiorari and upon such rehearing should issue the writ.

Respectfully submitted,

POPE F. BROCK,
THURMAN ARNOLD,
Attorneys for Petitioner.

ARNOLD, FORTAS & PORTER,
HERRICK, SMITH, DONALD, FARLEY & KETCHUM,
SPALDING, SIBLEY, TROUTMAN & KELLEY,
DAPHNE ROBERT,
Of Counsel.

I, counsel for the petitioner herein, do hereby certify that the foregoing petition for a rehearing of this cause is presented in good faith and not for delay.

.....
THURMOND ARNOLD,
Counsel for Petitioner.

November 21, 1947.